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THE Tobacco SITUATION

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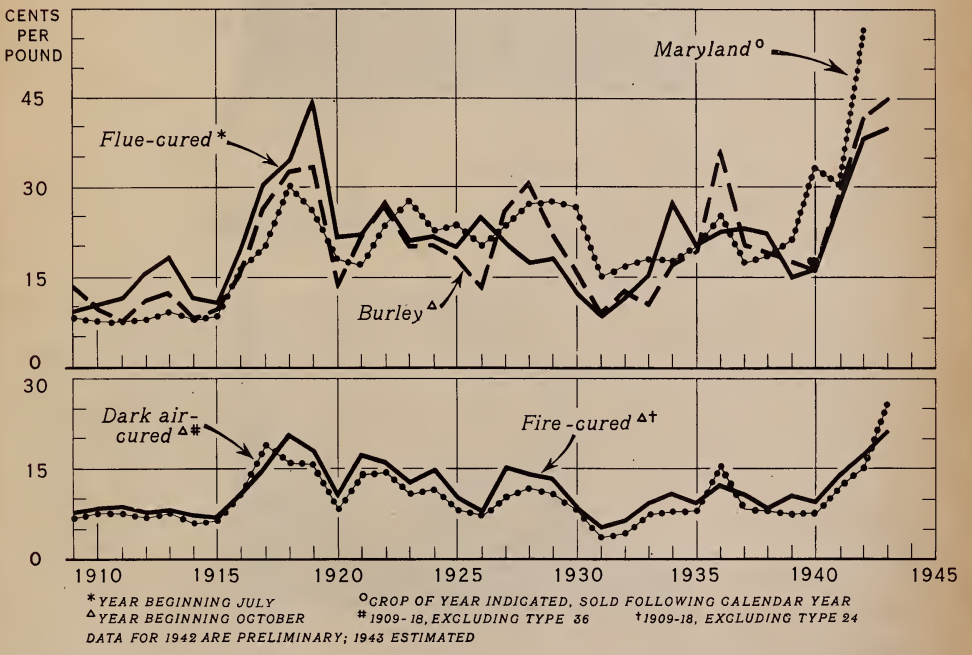
U. S. DEPARTMENT OF AGRICULTURE

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

TS-27 BAE JANUARY 1944

TOBACCO: PRICES RECEIVED BY FARMERS, BY TYPES OR CLASSES, UNITED STATES, 1909-43



*YEAR BEGINNING JULY °CROP OF YEAR INDICATED, SOLD FOLLOWING CALENDAR YEAR
△YEAR BEGINNING OCTOBER #1909-18, EXCLUDING TYPE 36 †1909-18, EXCLUDING TYPE 24
DATA FOR 1942 ARE PRELIMINARY; 1943 ESTIMATED

U. S. DEPARTMENT OF AGRICULTURE NEG. 39352 BUREAU OF AGRICULTURAL ECONOMICS

Prices of the major non-cigar types of tobacco this season have continued the upward movement which began in 1940, and are now at the highest levels in many years. Burley and Maryland are at record levels, and flue-cured is at the highest point since 1919. The high level of domestic consumption of tobacco products, particularly cigarettes, and increased shipments to the armed forces abroad have been the major factors in the demand for cigarette tobaccos. During the interval between the first and second world wars, the trend in demand for dark tobaccos produced in this country was downward, largely because of declining exports. Consequently, the trend of prices was downward. Recently, however, prices of dark tobaccos have been higher, because of an increased demand for products manufactured from dark types, increased purchases for byproducts diversion, and improved outlook for exports.

PRODUCTION OF TOBACCO, BY TYPES, UNITED STATES, 1910-43

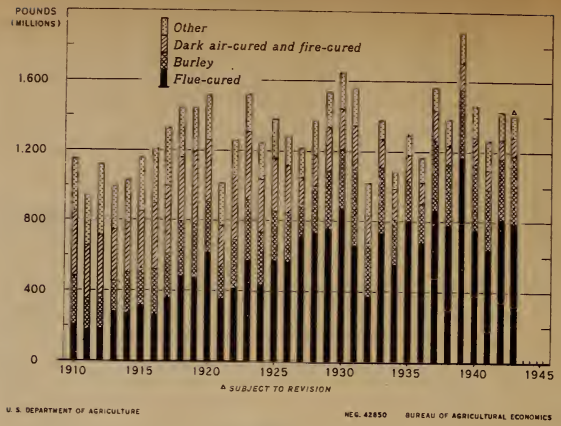


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FIGURE 1

CROP VALUE OF TOBACCO, BY TYPES, UNITED STATES, 1910-43

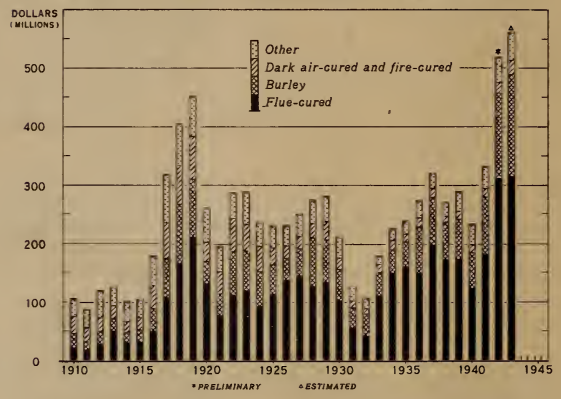

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FIGURE 2

The total production of all types of tobacco in 1943 was approximately 1.4 billion pounds, 9 million pounds less than in 1942 and about 77 million pounds below the 1938-42 average. Because of generally higher prices, however, the value of the crop is estimated to be about 557 million dollars, the highest on record. This compares with 510 million dollars received by farmers the preceding season, and 451 million dollars received for the 1919 crop. Over a period of years, there has been an upward trend in the proportion of the total production and value of tobacco represented by the light types, particularly flue-cured, and a decline in the proportion of the total represented by the dark and cigar tobaccos.

THE TOBACCO SITUATION

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Summary

Prices paid to growers for most types of tobacco sold so far this season are above the relatively high levels of 1942-43. Higher prices have been especially pronounced for dark tobaccos, but substantial advances have also occurred for burley and for some types of flue-cured and cigar tobaccos. Sales of flue-cured have been completed and markets for burley and dark tobaccos are now open. Sales of most domestic cigar types will be completed in January. Returns to tobacco growers are estimated at about 540 million dollars, compared with 507 million received for the 1942 production and the previous record return of 451 million in 1919.

The 1943 crop of flue-cured, estimated at about 790 million pounds, was sold at an average of almost 40 cents per pound, the highest price since 1919. Highest average price was paid for type 11a, the lowest for type 14, but the largest percentage increase over last season was recorded for type 14. Despite several periods of weakness in prices for some grades, demand for

flue-cured was strong and prices generally were well maintained. Under an international program of distribution of flue-cured tobacco, supplies were allocated to the various allied and neutral countries. Furthermore, controls were placed on manufacturers' and dealers' purchases of the 1943 crop.

Through January 20, 1943, gross sales of burley amounted to 335 million pounds at an average price of 45.8 cents, about 4 cents higher than the average for the corresponding period last year. With over 90 percent of the crop already sold, it is probable that the 1943 crop will establish new records for season average price, crop value, and average prices for many grades. Reflecting the high level of cigarette consumption, all grades suitable for cigarette manufacturing have sold at ceiling prices. Some lots of inferior grades, however, have sold well below the ceilings. The crop has been allocated to buyers, as was the case last year, and price ceilings by grades are again in effect. The 1943 burley price regulation permits an increase of about 3 dollars per 100 pounds over last year's grade prices. Twenty-one additional grades were added to the schedule.

Prices of all dark tobaccos sold so far this season have averaged considerably higher than the corresponding period of 1942-43. The large consumption of snuff and plug chewing tobacco, and improved export prospects have contributed to the strength of prices of dark tobaccos. The Department of Agriculture is also continuing the program, begun in 1942, of encouraging the diversion of low-grade dark tobaccos into the production of nicotine sulphate and nicotine alkaloid. Certain grades of dark tobaccos are reserved for this purpose. Payments up to 12-1/2 cents per pound are being made by the War Food Administration to manufacturers, enabling byproducts to be manufactured and sold under Office of Price Administration price ceilings.

The strong demand for leaf reflects the high level of consumption of tobacco products. Following the usual response to rising employment and higher individual incomes, per capita consumption of tobacco products in the United States probably reached a peak (about 9 pounds) in 1943. Cigarette consumption was at the highest level on record, but consumption of cigars and smoking tobacco, as indicated by sales of revenue stamps, was below last year.

Largely as a result of the increased domestic usage, stocks of all the major types of tobacco are below a year ago. Additions to manufacturers' and dealers' stocks through purchases of the 1943 crops will not equal the season's disappearance for most types. The War Food Administration has announced that marketing quotas for flue-cured and burley tobaccos will be in effect in 1944, and that farm acreage allotments will be increased by 20 percent over 1943.

-- January 28, 1944

FLUE-CURED, TYPES 11-14 1/

Prices Highest Since 1919; Value of Crop Largest on Record

The season average price paid to farmers for the 1943 crop of flue-cured tobacco (types 11-14) was approximately 39.8 cents per pound, 1.4 cents above last year and the highest since 1919. Cash farm income from this season's crop is the largest on record, preliminarily estimated at about 312 million dollars, 1 million over 1942, the previous peak. Notwithstanding short periods of considerable weakness in prices for some grades, the demand for flue-cured leaf has been exceptionally strong this season.

1/ Most flue-cured markets were closed for the season by December 17. Three in the Old Belt reopened for 2 days during the first week in January to complete the sales of a small quantity of tobacco, which, because of unfavorable weather, farmers were unable to get to market before the announced closing date. The opening and closing dates by Belts were: Georgia-Florida (type 14), July 27-September 1; Border Belt (type 13), August 5-October 15; Eastern North Carolina (type 12), August 23-November 30; Middle Belt (type 11b), September 13-December 17; and the Old Belt (type 11a), September 20-January 5.

Price advances over 1942 were shown for all types except for 11b, which was down about 2 cents per pound. But last season's average price for 11b was unusually high in relation to other types. The Old Belt, particularly 11b, had one of the finest crops on record in 1942. It contained an unusually high proportion of choice and fine grades. The largest advance in price this season was recorded for type 14, up $8.14 per 100 pounds from last season and the highest price on record. Types 12 and 13 gained 1-1/2 and 2 cents, respectively, over last season's average prices. The quality of the 1943 flue-cured crop as a whole was below normal.

As a result of the sharp drop in prices of low quality tobacco, the markets were closed in late October. Sales were resumed after 3 days, and prices of most grades regained much of the lost ground. Prices of low quality leaf declined again near the end of the season in the Old Belt markets. Inferior quality of leaf was probably the principal cause of the decline in price. However, the withdrawal of some of the larger buyers when their quotas were filled was a contributing factor.

The high level of domestic consumer incomes, the accompanying heavy consumption of domestically manufactured tobacco products, especially cigarettes, and the improved outlook for regular commercial exports were the basic factors contributing to the unusually high prices paid for leaf this season. Moreover, manufacturers' inventories of most types of leaf tobacco have been reduced below the level of a year ago.

Prior to the announcement of the 1943 price ceiling on flue-cured, the War Food Administration adopted a plan to distribute the total United States supply among domestic and foreign buyers. This program was implemented by Food Distribution Order No. 4.3 of August 14, which allocated purchases of the 1943 crop among domestic manufacturers and dealers. (For additional information on price ceilings and allocations of flue-cured see the Tobacco Situation for September 1943, MPR 441, FDO 4.3, and FDO 4, Amdt. 2).

Highest Prices Paid for Type 11a,
Lowest for Type 14

One characteristic of the past season's price pattern was the greater than usual uniformity in average prices paid for leaf in the different flue-cured belts. Over a period of years slightly higher than average prices have been paid for type 12 tobacco produced in eastern North Carolina, while the lowest prices have been paid for type 14, produced in the Georgia-Florida belt. In extreme cases, season average prices paid growers for tobacco produced in these two parts of the flue-cured belt have varied by as much as 11 cents per pound. Ordinarily the difference is much less, however. In 1942, the season average price for type 14 was approximately 30.6 cents per pound, 8 cents below the average for the entire flue-cured belt. But in 1943 growers of type 14 received 38.6 cents per pound, compared with an average of about 39.8 cents for the entire belt. Consequently, Georgia-Florida growers benefited by this season's advance in prices to a greater degree than producers of other areas. Lower marketing costs in the Georgia-Florida area were

recognized by the Office of Price Administration which provided for a price differential of 3 cents per pound between tobacco sold loose and that tied in hands. This action was taken after the Georgia-Florida markets had opened. (See the Tobacco Situation, September 1943.)

Price Increases Greater in Lower Grades

Despite several periods of weakness in prices, most grades of flue-cured tobacco sold at higher average prices this season than last. But, as in 1942, the largest percentage increases this season occurred in leaf of lower quality, and differences in prices of the higher grades were relatively small. Prices of some of the lower grades were considerably above those of 1942. This shift in the price pattern was particularly noticeable for type 14. Since this tendency for the price of lower grades to increase proportionately more than the better qualities of leaf is a continuation of a trend which began a number of years ago, it is probable that there has been a permanent shift in demand. But the upward price trend for lower grades was accentuated during the past two marketing seasons because ceilings were in terms of over-all season average prices that could be paid by individual buyers, rather than in terms of specific grades. Furthermore, inventory positions of manufacturers have become less favorable than formerly, and disappearance has exceeded purchases of leaf for the last 2 years. It is probable also that the upward price trend has been accentuated by Government price support measures and purchases for lend-lease.

Cigarette Consumption Sets New Record in 1943

The major factor in the strong demand for flue-cured tobacco last season was the high level of domestic manufacturing and consumption of cigarettes. During the first 11 months of 1943, cigarette consumption, as indicated by tax-paid withdrawals, totaled 235 billions, an increase of 8.8 percent over the corresponding period of 1942. The actual increase over 1942 was considerably greater than indicated by sales of revenue stamps, because of the large volume of tax-free cigarettes shipped to the armed forces outside the United States. During November 1943, the 41st consecutive month to show an increase in cigarette withdrawals over the same month of the preceding year, more than 24.3 billion were withdrawn. Although consumption of cigarettes has greatly increased under war conditions, the trend has been upward for a long time. The estimate 1943 per capita consumption in this country is 1,877 cigarettes which is or nearly 59 times the utilization in 1900. In terms of leaf tobacco equivalent the per capita United States cigarette consumption for 1943 and 1900 was 5.4 pounds and 0.1 pounds respectively.

Stocks Below Last Year; Disappearance at High Level

As a result of increased domestic requirements, substantial lend-lease shipments and other exports, stocks of flue-cured tobacco are below those of a year ago. On July 1, 1943, stocks held by dealers and manufacturers totaled

1,378.8 million pounds (farm sales weight), 80 million pounds below July 1, 1942, but 57 percent greater than the average for the pre-war years 1935-39. However, a considerable quantity of the stocks, about 200 million pounds, consisted of leaf held by or for the accounts of the Commodity Credit Corporation and the Office of Distribution. Of the total stocks held by domestic manufacturers and dealers on July 1, more than 1 billion pounds will be available for domestic purposes, which is well above the average quantity available during the 5-year period 1935-39. Additions to manufacturers' stocks through purchases of the 1943 crop will be considerably less than the season's disappearance. However, a further reduction of stocks of perhaps 125 million pounds by July 1, 1944, will not bring about a serious situation, according to a recent report of the War Food Administration. (Release of the Office of War Information of October 19, 1943, "Cigarette Situation for United States Civilians Satisfactory.") Since proper aging of tobacco is essential to a high quality product stocks are of greater significance in tobacco manufacturing than in most other enterprises. At present, stocks available for domestic use represent somewhat more than 22 months' consumption at the current rate of manufacturing. Any great reduction of stocks below present levels would probably necessitate changes in blends of cigarettes by manufacturers.

A year ago an official statement was issued by the Beverage and Tobacco Division of the War Production Board that it did not appear that any restrictions on the manufacture or distribution of cigarettes were necessary at that time. This opinion was based on the belief that supplies of leaf tobacco, including Turkish, were adequate for the time being, and that no major labor problem existed in the cigarette industry. Events of the past year seem to have verified this statement. Although consumption is now at the highest level on record, an absolute shortage of cigarettes does not appear to be an immediate prospect. A generally satisfactory situation for cigarette leaf was reported by the War Food Administration on October 19, 1943, in a statement which indicated that cigarettes will continue to be sufficient in volume and quality to meet the demand of United States civilians.

The War Food Administration has announced that national marketing quota for flue-cured tobacco will be in effect during 1944 and that individual farm and State acreage allotments will be increased by 20 percent over 1943. In a referendum held on July 24 flue-cured growers approved continuance of marketing quotas for another 3-year period, by a vote of nearly 9 to 1. Flue-cured growers generally tend to underplant their allotments. Last year 854,478 acres were allocated to growers, but only about 846,400 acres were actually harvested. During the past four seasons, however, harvested acreage has averaged only 90 percent of allotments.

Table 1.- Flue-cured tobacco: Domestic supplies, disappearance, and season average price, average 1935-39, annual 1940-43 1/

Year	Production	Stocks, July 1	Total supply	Disappearance, year beginning July	Average price per pound
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Average 1935-39	863.6	881.6	1,745.2	732.2	20.5
1940	759.9	1,409.7	2,169.6	576.7	16.4
1941	649.5	1,592.9	2,242.4	783.0	28.1
1942	811.7	1,459.5	2,271.2	2/ 892.4	38.4
1943	3/ 790.9	2/ 1,378.8	2/ 2,169.7	4/ 926.0	3/ 39.8

1/ Farm-sales weight equivalent.
2/ The July 1, 1943, stocks, supply, and disappearance are not comparable with those of a year earlier due to a change in the method of reporting. As a result, disappearance was several million smaller than indicated above. See Food Distribution Administration Stocks Report of April 1, 1943.
3/ Preliminary.
4/ Estimated.

LIGHT AIR-CURED, BURLEY TYPE 31, AND MARYLAND, TYPE 32

Prices and Returns to Burley Producers Highest on Record

Sales of the 1943 crop of burley began December 6 with unusually strong demand for most all grades of the leaf. Through January 20 gross sales amounted to approximately 335 million pounds at an average price of 45.8 cents per pound. This compares with 42.2 cents for the corresponding period last year, and an average for the season of 42 cents. With almost 90 percent of the crop already sold, it is probable that the 1943 crop of burley will establish new records for the season average price, crop value, and average prices for many grades. Reflecting the high level of cigarette consumption, all grades suitable for cigarette manufacturing have sold at ceiling prices. Some lots of inferior grades, however, sold well below the ceilings. Preliminary estimates by the Crop Reporting Board of the United States Department of Agriculture place the 1943 production at 385 million pounds, an increase of about 9 percent over the 1942 crop. It is probable, therefore, that burley growers will receive an income from this season's crop considerably in excess of the 147 million dollars received for the 1942 crop.

Maximum Prices by Grades Established for 1943 Crop of Burley

Effective December 4, 1943, just prior to the opening of the marketing season, Maximum Price Regulation 500 placed ceiling prices on 1943 crop of burley tobacco in terms of United States standard grades as follows (with 1942 comparisons):

Grades	Maximum Prices per Cwt. on Warehouse Floor 1942	1943
Leaf		
A1L	$59.00	$62.00
A2L	57.00	60.00
A1F	57.00	60.00
A2F	55.00	58.00
A1R	54.00	57.00
A2R	49.00	52.00
B1F	54.00	57.00
B2F	53.00	56.00
B3F	49.00	52.00
B3FM		49.00
B4F	43.00	46.00
B4FM		43.00
B5F	34.00	37.00
B5FM		34.00
B1FR		53.00
B2FR		48.00
B3FR		46.00
B4FR		40.00
B5FR		33.00
B1R	45.00	48.00
B2R	43.00	46.00
B3R	37.00	40.00
B4R	29.50	33.00
B5R	23.00	26.00
B3D	27.50	31.00
B4D	21.50	25.00
B5D	16.50	20.00
B3G	29.50	
B4G	22.50	
B5G	17.00	
B3GF		35.00
B4GF		28.00
B5GF		22.00
B3GR		31.00
B4GR		24.00
B5GR		18.00
Lugs		
C1L	57.00	60.00
C2L	55.00	58.00
C3L	54.00	57.00
C4L	53.00	56.00
C5L	48.00	51.00
C1F	55.00	58.00
C2F	55.00	58.00
C3F	54.00	57.00
C3FM		54.00
C4F	52.00	55.00
C4FM		52.00
C5F	46.00	49.00
C5FM		46.00
C3R	52.00	55.00
C4R	46.00	49.00
C5R	39.00	42.00
C3G	37.00	40.00
C4G	32.00	35.00
C5G	25.00	28.00
Flyings		
X1L	54.00	57.00
X2L	54.00	57.00
X3L	53.00	56.00
X4L	49.00	52.00
X5L	40.00	43.00
X1F	55.00	58.00
X2F	54.00	57.00
X3F	53.00	56.00
X3FM		53.00
X4F	48.00	51.00
X4FM		48.00
X5F	39.00	42.00
X5FM		39.00
X3R	50.00	53.00
X4R	44.00	47.00
X5R	34.00	37.00
X3G	39.00	42.00
X4G	32.00	35.00
X5G	22.50	26.00
Tips		
T3F	38.00	41.00
T4F	30.00	33.00
T5F	22.00	25.00
T3R	26.00	29.00
T4R	20.00	23.00
T5R	14.75	18.00
T3D	20.00	23.00
T4D	15.00	18.00
T5D	12.00	15.00
T3G	17.00	20.00
T4G	15.00	18.00
T5G	11.50	15.00
Nondescript		
N1L		26.00
N2L		21.00
N1R		13.00
N1G		13.00
N2R		9.00
N2G		9.00
NL	25.00	
NGR	11.00	

The method of operation of the 1943 regulation is similar to that of the previous year in that maximum prices on warehouse floors are established in terms of United States standard grades. It differs from last season, however, in that it eliminates the provision which allowed buyers to average their purchases within each week's operations. Under the 1942 regulation a buyer was permitted to pay higher than the ceiling for a particular grade or individual lot of leaf. But during each week the average weighted price for all tobacco purchased by a buyer could not be higher than the average weighted ceiling price of those grades which he purchased.

The 1943 regulation provides for an increase of about three dollars per hundred pounds over last year's grade prices, and, in order to provide for refinements in grading, 21 additional grades were added to the price schedule. The price ceiling on burley will permit the highest prices and largest returns to growers on record.

Allocation of 1943 Crop Provided for by Government Order

In anticipation of the exceptionally strong demand for burley tobacco and the willingness of buyers to pay ceiling prices for most grades and individual lots, the Office of Distribution on December 1, 1943 issued an order providing for allocation of the 1943 crop among the buying interests. Under the terms of FDO 4.5, effective December 3, 1943, an individual manufacturer is permitted to purchase 1943 crop burley in an amount not greater than 90 percent of the amount used during the 12-month period ended September 30, 1943. But the amount of the 1943 crop which a manufacturer buys at auction below the ceiling price is not charged to his allocation. Also, auction purchases by a manufacturer -- except purchases below the ceiling price -- cannot be a greater portion of his total burley allocation this year than the average of his purchases from the crops of 1939, 1940, and 1941. A buyer other than a manufacturer, who purchased from the burley crops of 1939, 1940, and 1941 and who redried and packed this tobacco or had it done, is allowed to purchase up to 115 percent of the amount allocated from the 1942 crop, in addition to purchases at auction below ceiling prices.

Demand for Burley Strong; Total Supply Below Last Year

Although the quantity of burley available for purchase this season is the largest in several years, the demand, largely because of the increased consumption of cigarettes, has been extremely active. Despite this season's large crop, the total supply of burley for the 1943-44 season (1943 production plus stocks on October 1) is the smallest since 1938. Stocks held by manufacturers and dealers on October 1, 1943, totaled 685.9 million pounds and disappearance in the 12-month period ended September 30, 1943, was 412 million pounds. The substantial excess of estimated 1943-44 disappearance (425 million pounds) over indicated 1943 production (385 million pounds) will bring stocks on October 1, 1944 to 660 million pounds or less. This will be below the average level of stocks for the period 1935-39, when consumption of burley was only about three-fourths as great

as at the present time. In view of the unprecedented demand for flue-cured and burley, stocks may be reduced to the point where some manufacturers may have difficulty in maintaining customary blends from tobacco aged as long as in previous years. In recognition of the existing supply situation of burley, the War Food Administration has announced that marketing quotas and individual farm acreage allotments for 1944 will be increased by 20 percent over 1943. In a referendum held on October 23, 1943, burley growers approved continuance of marketing quotas by a vote of 9 to 1. Last year 468,000 acres were allotted, but only about 395,000 acres were actually harvested, 16 percent under allotments. During the past four seasons, however, harvested acreage has averaged about 90 percent of allotments. In the coming season burley growers, like farmers generally, will face the problem of greater production of food crops which will compete with tobacco for land and labor.

Table 2.- Burley tobacco: Domestic supplies, disappearance, and average price, average 1935-39, annual 1940-43 1/

Year	Production	Stocks Oct. 1	Total supply	Disappearance, year beginning Oct.	Average price per pound
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Average 1935-39	315.9	673.6	989.5	317.4	22.2
1940	375.3	702.3	1,137.6	339.5	16.2
1941	336.8	798.1	1,134.9	379.6	29.2
1942	343.2	755.3	1,098.5	412.6	41.8
1943	2/ 385.4	2/ 685.9	2/ 1,071.3	3/ 425.0	3/ 45.0

1/ Farm-sales weight equivalent. 2/ Preliminary. 3/ Estimated.

Table 3.- Maryland tobacco: Domestic supplies, disappearance, and season average price, average 1935-39, annual 1940-43 1/

Year	Production	Stocks Jan. 1 of following year	Total supply	Disappearance Jan. 1 of following year	Season average farm price per pound
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Average 1935-39	28.9	38.4	67.3	27.9	20.4
1940	32.6	43.2	75.8	30.8	33.0
1941	31.2	45.0	76.2	28.5	30.1
1942	26.5	47.7	74.2	3/ 27.2	3/ 56.5
1943	2/ 17.6	3/ 47.0	3/ 64.6		

1/ Farm-sales weight equivalent. 2/ Preliminary. 3/ Estimated.

FIRE-CURED AND DARK AIR-CURED TOBACCOS, TYPES 21-24 AND 35-37

Prices Well Above Last Year 1/

Prices of all dark tobaccos sold so far this season have averaged well above the corresponding period a year ago. Factors contributing to strength in dark tobacco prices this season are (1) the relatively large utilization of leaf in the domestic manufacture of snuff and plug chewing tobacco, (2) improved export prospects for trade with Africa and the liberated countries, and (3) purchases of low-grade leaf for the manufacture of byproducts. Through January 14, 1944, gross sales of all fire-cured tobaccos from the 1943 crop, calculated from reports of the Tobacco Branch of the Office of Distribution, amounted to approximately 9.4 million pounds at an average price of about 25.4 cents per pound. This compares with the average price of 17.1 cents per pound received by growers for the 1942 crop and 14.1 cents for the 1941 crop. So far this season practically no tobacco has been received by the Associations, since all grade averages have been well above advance prices, even though the latter are slightly higher than a year ago.

Marketings of Green River (type 36) through January 18, 1944, amounted to 7.9 million pounds at an average of 29.5 cents per pound, 16.4 cents above the average price received by growers for the 1942 crop. Gross sales of One Sucker through January 19, 1944, were 10.2 million pounds at an average of 26.3 cents per pound, compared with a season average of 15.7 cents for the 1942 crop. Through January 19, 1944, sales of Virginia sun-cured amounted to 1.2 million pounds at an average price of 35.9 cents. This compares with 22.7 cents last season, and is the highest price since 1919. During the first two weeks of sales, prices of type 22 fire-cured averaged about 24.1 cents, 7.9 cents over the corresponding period of last season. Through January 21, 1944, gross sales of Western District fire-cured (type 23) amounted to 4.5 million pounds at an average of 21.3 cents.

Production Below 1942; Stocks Slightly Lower

Total domestic production of all dark tobacco in 1943 is placed at about 102 million pounds, 8 percent below 1942 and 30 percent less than the average for the 5-year period 1935-39. Stocks on October 1, 1943 totaled 245 million pounds, 1.4 percent less than stocks on the same date last year. The current season's production, together with the reported

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1/ Fire-cured markets opened on the following dates:
Virginia fire-cured type 21 - December 6
Eastern District type 22 - January 10
Western District type 23 - January 3
Dark air-cured markets began on the following dates:
One sucker type 35 - December 13
Green River type 36 - December 1
Virginia sun-cured type 37 - December 7

carry-over of 245 million pounds, gives an available supply at the beginning of the season of slightly less than 346 million pounds, 11 percent below the 1935-39 average. However, during the 5-year period 1935-39 there was a definite surplus of all dark tobaccos. The trend in domestic demand for and consumption of United States dark tobaccos has been downward for a long period of time. The downward trend in production during recent years is the result of the combined efforts of Government and the growers to bring supply into line with decreasing demand. Even with domestic manufacturing at a relatively high level and some increase in exports, disappearance of dark leaf during the past two seasons has been only slightly greater than production.

Low Grades of 1943 Crop Dark Tobacco
Reserved for Byproducts

Acting to further expand the production of insecticides and fertilizer materials vitally needed in meeting this year's production goals, the War Food Administrator on November 17, 1943 issued an amended offer permitting payments to manufacturers who use low grades of dark tobacco in producing nicotine, salts of nicotine, nicotinic acid, nicotine amide, fertilizers, insecticides, and such other products as may be approved by the Administrator at a later date. Under Food Distribution Order No. 4.4 effective November 30, 1943, tobacco of specified United States standard grades of types 21, 22, 23, 35, and 36 can be purchased only by the Federal Surplus Commodities Corporation or by the manufacturers of tobacco byproducts or their authorized agents. By amendment to this order (December 4, 1943) the following grades of Virginia sun-cured, type 37, were added: x5F, x5FV, x5D, x5M, x5G, and Nondescript. And by another amendment certain grades of Green River were removed from the list.

For some time the Department of Agriculture has operated a program the purpose of which was to encourage the diversion of low-grade dark tobaccos to the production of insecticides for agricultural purposes. The demand for these products has greatly increased under wartime conditions, while the principal foreign sources of insecticide bases, such as rotenone and pyrethrum of the East Indies, have been entirely cut off since the outbreak of war in the Pacific. Although production of nicotine during the past 2 years has been expanded, stocks, (on the basis of 40 percent nicotine sulphate) were considerably smaller on January 1, 1944, than a year earlier. It is probable that production during the 1943-44 season will not be as great as last year. Inventories of insecticides at the end of 1944 will probably be below what is considered a minimum if sufficient operating supplies are to be maintained. To get the desired production of nicotine it would be necessary to divert about 30 million pounds of dark tobaccos during the 1943-44 season, compared with a total of 22.7 million pounds diverted last season. However, it is probable that not more than 15 million pounds will be diverted to the production of nicotine.

The production of nicotine products and fertilizer materials from dark tobaccos is being encouraged by the War Food Administration, in order to make possible their production and sale under price ceilings established by the Office of Price Administration. Under the 1942-43 program, payments

were made at a rate equal to the difference between the price the manufacturer paid for the leaf and 3-1/2 cents per pound for tobacco of types 21, 22, 23, 24, and 36, except that the rate could not exceed 12-1/2 cents per pound. For other types, the rate was equal to the difference between the purchase price and 2-1/2 cents per pound, and the maximum payment was 12-1/2 cents per pound. The present method of determining cost of leaf tobacco to the manufacturer of byproducts is on the basis of nicotine content rather than type of tobacco.

Domestic Consumption of Snuff and Chewing Tobacco at High Level

The principal domestic trade outlet for the dark tobaccos produced in the United States is in the manufacture of snuff and chewing tobacco, the consumption of which has increased under war conditions. Tax-paid withdrawals of snuff, the principal product made from fire-cured types, has shown substantial increases over pre-war years. During the first 11 months of 1943, withdrawals totaled 39.3 million pounds, 5.8 percent more than for the same period of 1942. Production of chewing tobacco (plug and twist), the principal trade outlet for dark air-cured, continues at a relatively high level. Production of plug was 44.6 million pounds for the first 9 months of 1943 as compared with 40.5 million pounds in the corresponding period of 1942, an increase of 10 percent. Consumption of these products will probably continue at a relatively high rate for the remainder of the period of high industrial employment in war plants, but this does not appear to represent a reversal of the long-time downward trend in the use of chewing tobacco.

Table 4.- Dark tobaccos: Domestic supplies, disappearance, and season average price, average 1935-39, annual 1940-43 1/

TOTAL ALL DARK TOBACCOS

Year	Production	Stocks Oct. 1	Total supply	Disappearance, year beginning Oct.	Average price per pound
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Fire-cured, types 21-24, and dark air-cured, types 35-37					
Average 1935-39	139.9	240.7	380.6	157.1	9.9
1940	150.1	207.2	357.3	99.0	9.0
1941	101.2	258.3	359.6	111.0	13.4
1942	105.2	248.6	353.8	2/ 108.8	16.4
1943 2/	100.9	245.0	345.9	---	---
FIRE-CURED					
Total, types 21-24					
Average 1935-39	103.6	181.4	284.9	120.0	10.3
1940	107.6	141.6	249.2	65.3	9.5
1941	69.7	183.9	253.6	69.0	14.1
1942	70.0	184.6	254.6	2/ 74.8	17.1
1943 2/	68.5	179.8	248.3	---	---
DARK AIR-CURED					
Total, types 35-37					
Average 1935-39	36.3	59.3	95.7	37.1	8.9
1940	42.5	65.6	108.1	33.7	7.7
1941	31.5	74.4	106.0	42.0	12.0
1942	35.2	64.0	99.2	2/ 34.0	15.1
1943 2/	32.4	65.2	97.6	---	---
One Sucker, type 35					
Average 1935-39	17.7	29.6	47.3	17.9	8.1
1940	21.9	31.9	53.8	18.1	7.5
1941	15.7	35.7	51.4	19.9	11.4
1942	17.9	31.5	49.3	2/ 14.9	15.3
1943 2/	17.9	34.4	52.3	---	---
Green River, type 36					
Average 1935-39	15.8	27.0	42.8	16.6	9.2
1940	17.5	30.1	47.6	12.6	7.6
1941	13.6	35.0	48.6	18.8	11.7
1942	14.9	29.8	44.7	2/ 16.7	13.7
1943 2/	12.5	28.0	40.5	---	---
Va. sun-cured, type 37					
Average 1935-39	2.8	2.8	5.6	2.6	11.9
1940	3.1	3.6	6.7	3.0	9.3
1941	2.2	3.7	6.0	3.3	17.9
1942	2.4	2.7	5.2	2/ 2.3	22.7
1943 2/	2.0	2.9	4.9	---	---

1/ Farm-sales-weight equivalent. 2/ Preliminary.

CIGAR TOBACCOS, TYPES 41-62

Smaller 1943 Acreage and Production Indicated, Stocks and Supplies Lower

The 1943 harvested acreage of all types of cigar tobaccos in this country is estimated at about 80,600 acres, 10 percent below the acreage harvested in 1942. In general, weather conditions have been favorable in most areas except Pennsylvania and the per acre yield of 1,344 pounds is greater by about 6 percent than the 1935-39 average. The indicated 1943 production of all cigar tobaccos in the continental United States is about 108.3 million pounds, 9 percent less than the 118.5-million pound crop grown in 1942. This was because of a decline of 11 percent in the filler class and 9 percent in the binder class. But cigar wrapper types increased by about 6 percent.

Stocks on October 1, 1943 were smaller than on the same date a year earlier for cigar filler and binder types, but wrapper stocks showed an increase. In the case of wrappers, the increase in stocks, together with a larger 1943 production, resulted in a rise in total supply; but for binder and filler types there were substantial declines in stocks. The total supply of cigar tobaccos available at the beginning of the season was the smallest in several years. Consumption, on the other hand, is at a much higher level than last season. Indicated 1943 production is 24 percent less than the 1942 disappearance of 143 million pounds, whereas the 1942 crop was 10 percent less than 1941 disappearance.

Stocks of foreign grown cigar leaf held in the United States on October 1, 1943, totaled approximately 25 million pounds, an increase of 2 million pounds over 1942. Cuban (Havana) stocks were much larger, having increased almost 3.3 million over October 1, 1942. Holdings of Sumatra and Java were slightly lower, and Philippine stocks in this country dropped 62 percent during the 12-month period.

Consumption of Cigars Continues to Decline Scrap Chewing Tobacco Increases

Tax-paid withdrawals of all classes of cigars during the first 11 months of 1943 amounted to 4,822 million, a decline of almost 13 percent from the 5,521 million withdrawn during the comparable period of 1942. During the calendar year 1942, cigar withdrawals reached the highest level since 1929. In recent months there has been a definite trend toward higher priced cigars. A comparison between the different classes on a calendar year basis is difficult since the Revenue Act of 1942 changed the basis of classifying cigars. However, data indicate that the decrease was in the lower-priced groups. For November 1943 (the first month for which comparative data by classes are available since the 1942 Revenue Act became effective), classes A, B, and C, showed declines of 45 percent, 71 percent, and 6 percent, respectively, from November 1942. On the other hand, classes E, F, and G, all higher priced cigars, showed substantial increases.

Production of scrap chewing tobacco is running above 1942. For the first 9 months of the calendar year 1943 production, as reported by the Bureau of Internal Revenue, amounted to 37,628,242 pounds, an increase of 1.27 percent over the 37,155,910 pounds produced in the corresponding period a year

earlier. This percentage increase is considerably less than the 11 percent increase reported for the first 9 months of 1942 as compared with the same period of 1941.

Prices Higher Than Last Year; Future Sales Frozen; Ceilings Established

The demand for all cigar tobaccos has been exceptionally strong this season, and prices received by growers are substantially higher than a year ago. With the exception of cigar binder types 54 and 55, produced in Wisconsin, and filler type 41, produced in Pennsylvania, sales of all cigar tobaccos were completed in November and December. Most types have sold at or near ceiling prices established by the Office of Price Administration.

Because of the unusually strong demand for the leaf, the War Food Administration found it necessary to freeze the future-contract purchases of most cigar filler and binder types before the crops were harvested. The specific purpose of the order was to halt speculative buying of tobacco while it was still growing in the field. Cigar tobaccos are usually sold after rather than before harvest. At the time the order was issued in July, according to the Administrator, the future contract method of buying threatened to disrupt the distribution of the 1943 crop, which was short of demand. There were three extensions of the freeze period, in order to prevent purchases until a larger share of the crop was ready for the market.

Effective July 20, 1943, the Office of Price Administration issued Maximum Price Regulation 440, placing ceiling prices on Georgia and Florida shade grown tobacco type 61. Under this regulation, the weighted average purchase price for unsized and unsorted tobacco during each 6 weeks' period may not exceed $1.23 per pound. The regulation also established maximum prices for packers of shade grown leaf. These include specific dollar-and-cent ceilings for eight grades of sized and sorted leaves, 14 inches or more in length, ranging from a maximum of $3.50 per pound for prime light to a maximum of 90 cents per pound for grade K-2. Specific maximum prices were also established for listed grades of sorted and unsized tobacco and for string grades.

For unlisted grades of sized and sorted leaves, 14 inches or more in length, the packer's maximum price is the highest price charged by him for the same tobacco of the 1942 crop. For sized and sorted leaves less than 14 inches in length, the maximum prices which packers may charge are established at a weighted average of $1.25 per pound. Jobbers are allowed the same dollar-and-cent mark-up on 1943 crop sales as the mark-up on the 1942 crop.

On November 13, 1943 the Office of Price Administration established maximum prices on certain types of 1943 crop of domestic cigar filler and binder tobaccos. The regulation (No. 494) provided for ceiling prices on types 41-44 grown in Pennsylvania and Ohio, and types 51-55 grown in Connecticut, New York and Wisconsin. Specific cents per pound maximum prices were established at the grower level for sales of each of the listed types, and, except for types 52 and 53, for specified grades of each type. For growers, the maximum prices are as follows (with differentials for transportation, packaging and location):

FILLERS

Type	Grade	Cents per pound selling weight
41 Pennsylvania Seedleaf	Wrapper B's	21
	Farm Fillers	7
	Strip Straight (except York County)	10
42 Ohio - Gebhardt and Hybrid Types (Seedleaf)	Wrappers and Fillers	18
	Strip Straight	14
	Farmer's Trash	4
43 Ohio - Zimmer or Spanish (Havana Type)	Wrappers and fillers	19
	Strip Straight	14
	Farmer's Trash	4
44 Ohio - Dutch or Little Dutch	Wrappers and Fillers	19
	Strip Straight	14
	Farmer's Trash	4

BINDERS

Type	Grade	Cents per pound selling weight
51 Connecticut Broadleaf	Run of Crop (unsorted in bundle)	40
	Sorted Tobacco (not including Farmers's Trash)	49
	Farmer's Trash	5
52 Connecticut Havana Seed	Run of Crop	40
53 New York & Pennsylvania Havana Seed	Run of Crop	22
54 Southern Wisconsin, except Grant County	Sorting or Binders	25
	Stemming Ends	12
	Strip Straight	15
	Farmer's Trash	4
55 Northern Wisconsin, including Grant County	Sorting or Binders	30
	Stemming Ends	12
	Strip Straight	15
	Farmer's Trash	4

Effective December 16, 1943, Amendment 1 to Maximum Price Regulation 494, established ceiling prices on the low grades of tobacco which have resulted from sorting, packing, or other warehousing operations. According to the announcement of December 17, the maximum prices for these types and grades should be the seller's highest price on the 1942 crop of the same tobacco, plus a mark-up factor specifically provided for each type of leaf. The amendment to the regulation lists various types of low grade tobacco by locality, as well as the mark-up allowed for each. For example, the maximum price for a low grade of Pennsylvania seedleaf (type 41) in such a resale would be 24 percent above the seller's highest price for a resale of that grad of the 1942 crop to same class of customers. This action will have no effect on cigar prices.

REVIEW OF LITERATURE ON TOBACCO

An Investigation of the Economics of Flue-Cured Tobacco. By William H. Fisher. (Charlottesville: Bureau of Economic Research, University of Virginia. 1943. 133 pp.)

After an exhaustive study of available statistical data, and interviews with manufacturers, warehousemen, dealers, chemists, and tobacco specialists in Government, the writer has written what is probably the most comprehensive volume to date devoted exclusively to the flue-cured tobacco industry. The purpose of the study according to the author is "to contribute to a better understanding of one of the most important agricultural industries of the South Atlantic region, and to a more intelligent solution of the many social and economic problems involved." It is clearly written, concise, readable, and in nontechnical language. It is primarily a study in economics although the writer shows an awareness of the influence of tobacco on the social structure of the region. The period covered by the study ends with 1939, and the effects of the war were not examined.

Although the investigation is broad in scope, the study centers primarily around price and price-making forces. There are nine chapters, each dealing with a particular phase of the subject. Chapter II deals with world trade in American flue-cured tobacco and the influence of exports on farm price in this country. Chapter III takes up the competitive position of flue-cured tobacco in the domestic picture; and more specifically it deals with the competition between the various types of tobacco grown in this country. Chapter IV contains a general description of flue-cured tobacco, it origin, its culture, and its preparation for market.

Chapter V deals with the factors governing total production of flue-cured tobacco, with particular emphasis upon those forces which relate back to former years. In Chapter VI the forces determining season average price are given attention, while in Chapter VII an attempt is made to explain variations in price in the several flue-cured belts. Chapter VIII is devoted to producer income from flue-cured tobacco and its importance in the region's economy. Chapter IX contains a summary of the study and the author's conclusions.

This volume should have an appeal to those people interested in tobacco, regardless of their motive, and to everyone interested in the economy of the South. A limited number of copies are available for distribution. Requests should be addressed to Mr. William H. Fisher, Federal Reserve Bank of Richmond, Richmond, Virginia, or to the Alderman Memorial Library, Exchange Division, University of Virginia, Charlottesville, Virginia.

-- Wade P. Young

Table 5.- Cigar tobaccos: Domestic supplies, disappearance, and season average price, average 1935-39, annual 1940-43 1/

Type and year	Production	Stocks Oct. 1 2/	Total supply	Disappearance year beginning Oct.	Average price per pound
	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Total filler, types 41-45 -					
Average 1935-39	53.6	154.5	208.1	56.8	11.0
1940	66.6	151.0	217.6	60.6	11.9
1941	71.4	157.0	228.4	61.7	12.4
1942	53.6	166.7	220.3	3/ 66.7	3/ 13.2
1943 3/	47.6	153.6	201.2		
Pennsylvania seedleaf, type 41 -					
Average 1935-39	37.6	99.1	136.7	36.3	12.0
1940	50.1	106.0	156.1	41.8	13.3
1941	57.7	114.3	172.0	49.1	13.2
1942	41.6	122.9	164.5	3/ 54.9	3/ 13.7
1943 3/	39.2	109.6	148.8		
Miami Valley, types 42-44 -					
Average 1935-39	15.2	53.5	68.7	19.8	8.5
1940	16.5	42.6	59.1	16.4	7.7
1941	13.7	42.7	56.4	12.6	9.3
1942	12.0	43.8	55.8	3/ 11.8	3/ 11.5
1943 3/	8.4	44.0	52.4		
Total binder, types 51-56 4/					
Average 1935-39	48.9	146.4	195.3	58.6	13.7
1940	67.9	136.0	203.9	67.2	14.5
1941	61.6	136.7	198.3	60.4	16.9
1942	55.7	137.9	193.6	3/ 67.0	3/ 20.3
1943 3/	50.8	126.6	177.4		
Connecticut Valley broadleaf, type 51 -					
Average 1935-39	11.8	33.0	44.8	13.4	18.4
1940	12.3	27.5	39.8	16.5	21.0
1941	12.8	23.3	36.1	10.0	22.0
1942	10.4	26.1	36.5	3/ 14.2	3/ 26.0
1943 3/	10.0	22.3	32.3		
Connecticut Valley Havana seed, type 52 -					
Average 1935-39	9.7	25.9	35.6	10.9	18.7
1940	13.8	24.5	38.3	12.8	21.7
1941	13.4	25.5	38.9	9.3	24.0
1942	12.7	29.6	42.3	3/ 13.3	3/ 26.3
1943 3/	11.3	29.0	40.3		

Continued -

Table 5.- Cigar tobaccos: Domestic supplies, disappearance, and season average price, average 1935-39, annual 1940-43 1/ - Continued

Type and year	Production	Stocks Oct. 1 2/	Total supply	Disappearance year beginning Oct.	Average price per pound
	Million pounds	Million pounds	Million pounds	Million pounds	Cents
New York and Pennsylvania Havana seed, type 53 -					
Average 1935-39	1.3	2.2	3.5	1.1	10.6
1940	2.0	3.2	5.2	2.1	12.0
1941	2.2	3.1	5.3	2.4	12.9
1942	1.9	2.9	4.8	3/ 3.0	3/ 13.5
1943 3/	1.3	1.8	3.1		
Southern Wisconsin, type 54 -					
Average 1935-39	14.6	53.1	67.7	20.6	8.8
1940	20.4	43.6	64.0	24.6	8.5
1941	15.4	39.4	54.8	19.2	9.6
1942	13.8	35.6	49.4	3/ 13.3	3/ 16.2
1943 3/	13.4	36.1	49.5		
Northern Wisconsin, type 55 -					
Average 1935-39	11.2	32.2	43.4	12.3	11.0
1940	17.6	36.0	53.6	9.9	11.7
1941	16.9	43.7	60.6	18.6	14.6
1942	16.1	42.0	58.1	3/ 21.8	3/ 16.4
1943 3/	14.6	36.3	50.9		
Georgia and Florida sun-grown, type 56 4/					
1940	1.8	1.2	3.0	1.3	13.4
1941	.9	1.7	2.6	1.0	14.5
1942	.8	1.6	2.4	3/ 1.3	3/ 17.4
1943 3/	.2	1.1	1.3		
Total wrapper, types 61-62 -					
Average 1935-39	9.2	10.1	19.3	9.0	76.2
1940	9.5	12.9	22.4	10.7	75.8
1941	10.1	11.7	21.8	9.1	98.4
1942	9.2	12.7	21.9	3/ 9.6	3/ 116.8
1943 3/	9.8	12.3	22.1		
Connecticut Valley shade-grown, type 61 -					
Average 1935-39	6.5	7.3	13.8	6.3	78.8
1940	5.5	9.8	15.3	7.4	80.0
1941	6.4	7.9	14.3	6.3	110.0
1942	5.6	8.0	13.6	3/ 6.0	3/ 130.0
1943 3/	6.3	7.6	13.9		
Georgia-Florida shade-grown, type 62 -					
Average 1935-39	2.7	2.8	5.5	2.7	69.9
1940	4.0	3.1	7.1	3.3	70.0
1941	3.7	3.8	7.5	2.8	73.0
1942	3.6	4.7	8.3	3/ 3.6	3/ 97.0
1943 3/	3.5	4.7	8.2		

Continued -

Table 5.- Cigar tobaccos: Domestic supplies, disappearance, and season average price, average 1935-39, annual 1940-43 1/ - Continued

1/ Farm-sales weight. Rounded type figures do not check, in all cases, to those previously published because of rounding to add to the total for the class. In no case is the difference more than one point.
2/ Stocks held on farms not included; stocks for types 45 and 62 are as of July 1.
3/ Preliminary.
4/ From 1936 to 1939 there was a gradual shift in the relative proportion of type 45 (filler) and type 56 (binder). During this period the approximate distribution of production between the two types was as follows:

1936,	type 45	560,000 pounds
	type 56	200,000 pounds
1937,	type 45	804,000 pounds
	type 56	428,000 pounds
1938,	type 45	940,000 pounds
	type 56	600,000 pounds
1939,	type 45	700,000 pounds
	type 56	644,000 pounds

(See U.S.D.A. Cir. No. 249)

Beginning in 1940 the whole crop was classed as type 56. Stocks for any given year were divided between binder and filler in proportion to average production for the 2 preceding years.

Table 6.- Cigar tobacco: Production, stocks, supply, and price, United States, 1920-43

Year beginning Oct.	Production	Stocks Oct. 1 (farm-sales weight) 1/	Supply	Disappearance	Disappearance as a percentage of supply	Season average farm price per pound
	Million pounds	Million pounds	Million pounds	Million pounds	Percent	Cents
1920	223.6	360.9	584.5	215.3	36.8	22.2
1921	212.9	369.2	582.1	166.4	28.6	17.6
1922	172.6	415.7	588.3	157.8	26.8	21.5
1923	192.2	430.5	622.7	174.7	28.1	24.6
1924	180.1	448.0	628.1	202.3	32.2	19.2
1925	194.4	425.8	620.2	199.9	32.2	15.8
1926	146.5	420.3	566.8	210.6	37.2	19.1
1927	139.0	356.2	495.2	172.3	34.8	21.8
1928	162.9	322.9	485.8	163.6	33.7	20.7
1929	170.8	322.2	493.0	179.3	36.4	20.1
1930	180.8	313.7	494.5	136.5	27.6	15.9
1931	187.7	358.0	545.7	118.3	21.7	10.2
1932	150.0	427.4	577.4	163.7	28.4	7.8
1933	78.4	413.7	492.1	99.8	20.3	11.0
1934	75.1	392.3	467.4	105.4	22.6	16.6
1935	91.5	362.0	453.5	128.1	28.2	16.8
1936	104.4	325.4	429.8	127.7	29.7	18.9
1937	110.6	302.1	412.7	116.1	28.1	17.7
1938	114.3	296.6	410.9	141.5	34.4	15.3
1939	137.7	269.4	407.1	108.4	26.6	18.6
1940	144.0	298.7	442.7	137.3	31.0	17.4
1941	143.2	305.4	448.6	131.3	29.3	20.4
1942	118.6	317.3	435.9	143.3	32.9	23.5
1943 2/	108.3	292.6	400.9			

Compiled from data of the War Food Administration. Stocks prior to 1929 compiled from reports of the Bureau of the Census, Department of Commerce.

1/ Stocks of continental types held by dealers and manufacturers. Complete data on farm stocks which are significant in some years and for some cigar types are not available. Stocks for types 45 and 62 are as of July 1.

2/ Preliminary.

Table 7.- Tax-paid withdrawals of tobacco products in the United States, July-June 1941-42, and July-November 1942-43 1/

Products	Year beginning July			July-November		
	1941	1942	Change	1942	1943	Change
	Millions	Millions	Percent	Millions	Millions	Percent
Small cigarettes	216,905	244,828	+12.9	107,138	116,967	+ 9.2
Large cigarettes	2	4	2/+61.3	1	3	+134.0
Large cigars	6,103	6,003	- 1.6	2,637	2,142	- 18.8
Small cigars	139	130	- 6.5	54	52	- 3.7
Snuff 3/	41,320	41,907	+ 1.4	15,659	17,063	+ 9.0
Manufactured tobacco 3/	289,648	265,813	- 8.2	120,851	115,614	- 4.3

1/ Tax-paid withdrawals include products from Philippine Islands and Puerto Rico. After January 1942 tax-paid withdrawals from Philippine Islands are not included.
2/ Based on actual, not rounded figures.
3/ Thousand pounds.

Table 8.- Production of manufactured tobacco in the United States, July-June 1941-42, and July-September 1942-43

Manufactured tobacco	Year beginning July			July-September		
	1941	1942	Change	1942	1943	Change
	1,000 pounds	1,000 pounds	Percent	1,000 pounds	1,000 pounds	Percent
Smoking	186,832	163,750	-12.4	42,319	40,929	- 3.3
Plug	51,296	57,423	11.9	14,810	15,792	6.6
Twist	5,849	6,338	8.4	1,547	1,546	- 0.1
Fine-cut	5,191	4,856	- 6.5	1,320	1,089	-17.5
Scrap chewing	45,544	50,794	11.5	14,226	13,413	- 5.7

Table 9.- Index numbers of production of tobacco products in the United States, both unadjusted and adjusted for seasonal variation, January 1941-October 1943

(1935-39 = 100)

Year and month	Cigarettes		Cigars		Manufactured tobacco and snuff		Total tobacco products	
	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted
1941								
Jan.	119	122	90	106	98	99	108	114
Feb.	118	125	96	107	95	98	108	115
Mar.	119	127	100	108	99	99	110	117
Apr.	118	127	111	113	100	100	113	118
May	133	131	108	109	100	100	121	119
June	144	131	113	111	99	97	128	120
July	138	131	111	111	99	99	123	120
Aug.	136	129	113	110	96	99	122	119
Sept.	146	137	120	111	107	100	132	123
Oct.	141	137	135	112	106	99	133	123
Nov.	143	142	137	115	105	102	134	127
Dec.	121	136	107	131	83	95	110	127
Year	131		112		99		120	
1942								
Jan.	146	146	104	122	96	98	126	131
Feb.	136	144	109	120	92	94	121	129
Mar.	127	137	111	118	96	96	117	124
Apr.	130	140	114	115	96	96	119	125
May	142	142	107	108	89	89	123	123
June	150	142	120	118	96	94	132	127
July	153	146	113	113	91	91	131	127
Aug.	160	152	115	113	89	92	135	131
Sept.	170	159	123	114	98	92	144	135
Oct.	169	163	140	121	104	97	149	140
Nov.	167	163	117	1/117	97	94	141	138
Dec.	147	160	154	154	83	94	137	146
Year	150		119		94		131	
1943								
Jan.	159	159	103	103	91	93	132	132
Feb.	144	153	101	101	85	88	122	128
Mar.	148	159	93	93	89	89	123	129
Apr.	149	160	103	103	86	86	125	132
May	144	144	104	104	86	85	123	123
June	156	149	102	102	80	78	128	124
July	175	166	99	99	84	84	138	134
Aug.	177	169	96	96	89	92	140	136
Sept.	176	165	101	101	93	87	141	134
Oct.	179	173	100	100	99	93	144	139
Nov.								
Dec.								
Year								

Compiled from monthly Federal Reserve Bulletin.

1/ Same as unadjusted indexes beginning in this month.

Table 10.- Tobacco: Average yield per acre, by types, in the United States, 1920-43

Year	Flue-cured types 11-14	Burley type 31	Maryland type 32	Fire-cured Type 21	Fire-cured Type 22	Fire-cured Type 23	Fire-cured Type 24	Dark air-cured Type 35	Dark air-cured Type 36	Dark air-cured Type 37	All cigar types 41-62
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
Av. 1920-24	639	824	783	731	781	805	855	826	856	726	1,175
1920	678	789	875	780	766	780	820	819	796	755	1,250
1921	587	754	715	611	795	828	855	843	881	579	1,277
1922	630	857	770	811	763	810	893	859	893	770	1,118
1923	722	872	792	795	785	810	880	827	880	775	1,182
1924	580	849	765	660	798	795	825	782	830	750	1,048
Av. 1925-29	698	798	778	761	784	780	783	808	778	784	1,192
1925	689	806	823	751	767	776	775	806	850	795	1,270
1926	699	832	840	793	810	799	896	905	851	802	1,173
1927	750	731	818	800	749	748	646	722	649	821	1,152
1928	660	816	660	703	753	739	750	760	700	692	1,182
1929	691	807	750	760	842	840	850	849	840	810	1,182
Av. 1930-34	731	782	677	720	812	759	787	811	824	660	1,189
1930	756	740	560	615	757	700	745	784	785	585	1,170
1931	684	845	730	765	812	804	800	796	880	650	1,228
1932	605	740	775	640	794	779	775	801	825	545	1,139
1933	797	753	600	760	801	657	740	783	740	720	1,120
1934	814	831	720	820	895	856	875	893	890	800	1,289
Av. 1935-39	874	838	769	810	806	796	829	834	838	844	1,276
1935	928	792	775	870	821	795	840	835	845	900	1,295
1936	790	727	820	770	805	761	730	730	700	780	1,337
1937	875	907	650	790	846	817	850	908	900	785	1,223
1938	861	833	780	710	709	784	875	785	870	780	1,177
1939	916	930	820	910	851	824	850	911	875	975	1,347
1940	1,025	1,042	850	835	925	884	850	927	875	925	1,380
1941	905	987	775	895	950	929	900	978	975	850	1,438
1942	1,024	981	740	975	995	962	900	1,064	1,030	900	1,328
1943 1/	934	976	540	800	973	928	900	1,035	925	780	1,344

Compiled, 1920-34, from First Annual Report on Tobacco Statistics, Statistical Bulletin No. 58; 1935-38, Annual Report on Tobacco Statistics, 1940; 1939-43, General Crop Reports.

1/ Preliminary.

Table 11.- Stocks of foreign-grown cigar, cigarette, and smoking tobacco, by types, as reported combining unstemmed and stemmed, owned by dealers and manufacturers in the United States, quarterly, 1938-43

Year and type	Jan. 1	Apr. 1	July 1	Oct. 1
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
Total foreign-grown cigar leaf:				
1938	9,740	9,947	10,235	10,509
1939	10,418	10,571	11,350	12,577
1940	14,637	16,252	17,194	15,942
1941	15,876	17,241	19,850	19,225
1942	19,311	18,911	19,695	21,411
1943	19,939	19,636	22,546	22,064
Cuba (Havana), type 81:				
1938	6,248	6,266	6,647	6,772
1939	5,987	6,289	6,418	6,633
1940	6,495	6,810	6,942	7,156
1941	7,139	8,140	9,215	9,800
1942	9,539	10,107	11,899	13,193
1943	12,677	13,590	16,108	15,940
Sumatra and Java, type 82:				
1938	1,671	1,404	1,672	2,077
1939	2,247	1,879	2,494	3,021
1940	2,170	1,720	3,016	2,659
1941	2,435	3,362	5,313	5,036
1942	5,913	6,212	5,954	6,608
1943	6,027	5,134	5,658	5,356
Philippine Islands (Manila), type 83:				
1938	1,807	2,263	1,898	1,646
1939	2,181	2,245	2,280	2,913
1940	5,969	7,654	7,164	6,054
1941	6,197	5,712	5,199	4,236
1942	3,262	2,356	1,608	1,195
1943	864	635	539	460
Other foreign-grown cigar leaf, type 84:				
1938	14	14	18	14
1939	3	158	158	10
1940	3	68	72	73
1941	105	27	123	153
1942	597	236	234	415
1943	381	277	241	308
Total foreign-grown cigarette and smoking tobacco, type 90:				
1938	70,366	92,396	82,603	70,228
1939	86,239	108,128	101,530	92,655
1940	116,574	118,528	112,420	106,257
1941	101,733	98,583	108,802	99,487
1942	90,621	80,858	78,435	56,146
1943	76,792	67,989	57,494	

Compiled from quarterly stocks reports of the Food Distribution Administration.

Table 12.- Acreage and production of tobacco in the United States, by types, 1942 and 1943

Type	Acreage			Production		
	1942	1943 1/	Change	1942	1943 1/	Change
	1,000 acres	1,000 acres	Percent	Million pounds	Million pounds	Percent
Total flue-cured, types 11-14	792.7	846.4	6.8	811.7	790.9	- 2.6
Old and Middle Belt, type 11	294.0	319.0	8.5	279.3	286.9	2.7
Eastern North Carolina, type 12	266.0	285.0	7.1	295.3	275.0	- 6.9
South Carolina, type 13	151.0	158.0	4.6	166.9	152.7	- 8.5
Georgia and Florida, type 14	81.7	84.4	3.3	70.2	76.3	8.7
Total fire-cured, types 21-24	72.8	73.8	1.4	71.5	68.5	- 4.2
Virginia, type 21	13.6	14.0	2.9	13.2	11.2	-15.2
Kentucky and Tennessee, type 22	40.5	40.8	0.7	40.3	39.7	- 1.5
Kentucky and Tennessee, type 23	18.5	18.8	1.6	17.8	17.4	- 2.2
Henderson, type 24	0.2	0.2 2/	.0	0.2	0.2 2/	-15.5
Burley, type 31	350.2	394.7	12.7	343.5	385.4	12.2
Maryland, type 32	38.0	32.6	-14.2	28.1	17.6	-37.4
Total dark air-cured, types 35-37	34.0	33.4	- 1.8	35.2	32.4	- 8.0
One Sucker, type 35	16.8	17.3	3.0	17.9	17.9	.0
Green River, type 36	14.5	13.5	- 6.9	14.9	12.5	-16.1
Virginia sun-cured, type 37	2.7	2.6	- 3.7	2.4	2.0	-16.7
Total cigar filler, types 41-44	43.4	38.7	-10.8	53.6	47.6	-11.2
Pennsylvania Seedleaf, type 41	33.6	31.4	- 6.5	41.7	39.2	- 6.0
Miami Valley, types 42-44	9.8	7.3	-25.5	11.9	8.4	-29.4
Total cigar binder, types 51-55	36.3	32.5	-10.4	55.7	50.8	- 8.8
Connecticut Valley Broadleaf, type 51	6.8	6.3	- 7.4	10.4	10.0	- 3.8
Conn. Valley Havana Seed, type 52	7.6	6.7	-11.8	12.7	11.3	-11.0
N.Y. and Pa. Havana Seed, type 53	1.3	0.9	-30.8	1.9	1.3	-31.6
Southern Wisconsin, type 54	9.2	8.9	- 3.3	13.8	13.4	- 2.9
Northern Wisconsin, type 55	10.6	9.4	-11.3	16.1	14.6	- 9.3
Ga. and Fla., sun-grown, type 56	0.8	0.3	-62.5	0.8	0.2	-75.0
Total cigar wrapper, types 61-62	9.6	9.4	- 2.1	9.2	9.8	6.5
Conn. Valley shade-grown, type 61	6.1	6.3	3.4	5.6	6.3	12.5
Ga. and Fla. shade-grown, type 62	3.5	3.1	-11.4	3.6	3.5	- 2.8
Total Miscellaneous	0.2	0.3 2/	50.0	0.1	.2 2/	114.3
Louisiana Perique	0.2	0.3 2/	50.0	0.1	.2 2/	114.3
Total all types	1,377.2	1,461.8	6.1	1,408.7	1,403.3	- 0.4

1/ Preliminary.
2/ Based on actual, not rounded, figures.